

109TH CONGRESS
1ST SESSION

S. 1979

To provide for the establishment of a strategic refinery reserve, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 9, 2005

Mr. KOHL introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To provide for the establishment of a strategic refinery reserve, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. STRATEGIC REFINERY RESERVE.**

4 (a) ESTABLISHMENT.—

5 (1) IN GENERAL.—The Secretary of Energy
6 shall establish and operate a Strategic Refinery Re-
7 serve (referred to in this section as the “Reserve”)
8 in the United States.

9 (2) AUTHORITIES.—To carry out this sub-
10 section, the Secretary of Energy may contract for—

1 (A) the construction or operation of new
2 refineries; or

3 (B) the acquisition or reopening of closed
4 refineries.

5 (b) OPERATION.—The Secretary of Energy shall op-
6 erate the Reserve—

7 (1) to provide petroleum products to—

8 (A) the Federal Government (including the
9 Department of Defense); and

10 (B) any State governments and political
11 subdivisions of States that opt to purchase re-
12 fined petroleum products from the Reserve; and

13 (2) to provide petroleum products to the general
14 public during any period described in subsection (c).

15 (c) EMERGENCY PERIODS.—The Secretary of Energy
16 shall make petroleum products from the Reserve available
17 under subsection (b)(2) only if the President determines
18 that—

19 (1) there is a severe energy supply interruption
20 within the meaning of the term under section 3 of
21 the Energy Policy and Conservation Act (42 U.S.C.
22 6202); or

23 (2)(A) there is a regional petroleum product
24 supply shortage of significant scope and duration;
25 and

1 (B) action taken under subsection (b)(2) would
2 directly and significantly assist in reducing the ad-
3 verse impact of the shortage.

4 (d) LOCATIONS.—In determining the location of a re-
5 finery for inclusion in the Reserve, the Secretary of En-
6 ergy shall take into account—

7 (1) the impact of the refinery on the local com-
8 munity, as determined after requesting and review-
9 ing any comments from State and local governments
10 and the public;

11 (2) regional vulnerability to—

12 (A) natural disasters; and

13 (B) terrorist attacks;

14 (3) the proximity of the refinery to the Stra-
15 tegic Petroleum Reserve;

16 (4) the accessibility of the refinery to energy in-
17 frastructure and Federal facilities (including facili-
18 ties under the jurisdiction of the Department of De-
19 fense);

20 (5) the need to minimize adverse public health
21 and environmental impacts; and

22 (6) the energy needs of the Federal Government
23 (including the Department of Defense).

24 (e) INCREASED CAPACITY.—The Secretary of Energy
25 shall ensure that refineries in the Reserve are designed

1 to provide a rapid increase in production capacity during
 2 periods described in subsection (c).

3 (f) IMPLEMENTATION PLAN.—

4 (1) IN GENERAL.—Not later than 180 days
 5 after the date of the enactment of this Act, the Sec-
 6 retary of Energy shall submit to Congress a plan for
 7 the establishment and operation of the Reserve
 8 under this section.

9 (2) REQUIREMENTS.—The plan required under
 10 paragraph (1) shall—

11 (A)(i)(I) provide for, within 2 years after
 12 the date of enactment of this Act, a capacity
 13 within the Reserve equal to 5 percent of the
 14 total United States daily demand for gasoline,
 15 diesel, and aviation fuel; and

16 (II) provide for a capacity within the Re-
 17 serve such that not less than 75 percent of the
 18 gasoline and diesel fuel produced by the Re-
 19 serve contain an average of 10 percent renew-
 20 able fuel (as that term is defined in
 21 211(o)(1)(C) of the Clean Air Act (42 U.S.C.
 22 7545(o)(1)(C)); or

23 (ii) if the Secretary of Energy finds that
 24 achieving the capacity described in either sub-

1 clause (I) or (II) of clause (i) is not feasible
 2 within 2 years, include—

3 (I) an explanation from the Secretary
 4 of Energy of the reasons why achieving the
 5 capacity within the timeframe is not fea-
 6 sible; and

7 (II) provisions for achieving the re-
 8 quired capacity as soon as practicable; and

9 (B) provide for adequate delivery systems
 10 capable of providing Reserve product to the en-
 11 tities described in subsection (b)(1).

12 (g) COORDINATION.—The Secretary of Energy shall
 13 carry out this section in coordination with the Secretary
 14 of Defense.

15 (h) COMPLIANCE WITH FEDERAL ENVIRONMENTAL
 16 REQUIREMENTS.—Nothing in this section affects any re-
 17 quirement to comply with Federal or State environmental
 18 or other laws.

19 **SEC. 2. REPORTS ON REFINERY CLOSURES.**

20 (a) REPORTS TO SECRETARY OF ENERGY.—

21 (1) IN GENERAL.—Not later than 180 days be-
 22 fore permanently closing a refinery in the United
 23 States, the owner or operator of the refinery shall
 24 provide to the Secretary of Energy notice of the clos-
 25 ing.

1 (2) REQUIREMENTS.—The notice required
 2 under paragraph (1) with respect to a refinery to be
 3 closed shall include an explanation of the reasons for
 4 the closing of the refinery.

5 (b) REPORTS TO CONGRESS.—The Secretary of En-
 6 ergy shall, in consultation with the Secretary of Defense,
 7 the Administrator of the Environmental Protection Agen-
 8 cy, and the Federal Trade Commission and as soon as
 9 practicable after receipt of a report under subsection (a),
 10 submit to Congress—

11 (1) the report; and

12 (2) an analysis of the effects of the proposed
 13 closing covered by the report on—

14 (A) in accordance with the Clean Air Act
 15 (42 U.S.C. 7401 et seq.), supplies of clean fuel;

16 (B) petroleum product prices;

17 (C) competition in the refining industry;

18 (D) the national economy;

19 (E) regional economies;

20 (F) regional supplies of refined petroleum
 21 products;

22 (G) the supply of fuel to the Department
 23 of Defense; and

24 (H) energy security.

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